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UNCLAS SECTION 01 OF 02 CAPE TOWN 000138

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SUBJECT: ZUMA DELIVERS STATE OF THE NATION ADDRESS

¶1. (U) On June 3, Charge and Cape Town Poloff attended President Jacob Zuma's first State of the Nation address to Parliament. Zuma's theme for the Address was "Parliament entrenching people-centered democracy in achieving development goals." The event, attended by former Presidents Nelson Mandela and Thabo Mbeki, is one of the few occasions when the Executive, Judiciary and Legislative branches of government come together in one place. Speaking in all the official languages of the country, Zuma outlined the government's five-year plan aimed at developing South Africa's economy and highlighted the major challenges affecting his administration, including crime, the widening inequality gap, blockages in the criminal justice system, unemployment and poverty, quality of education, and the global economic crisis.

¶2. (U) Zuma defined ten priority areas in the Medium Term Strategic Framework that the government would focus on for 2009, but reiterated that the fight against poverty remained the cornerstone of government's focus. As expected the global economic crises and its impact on the South African economy featured prominently in his speech. He said creating employment would be at the centre of economic policies and would influence the types of investment to attract and job-creation initiatives. Zuma added that South Africa aims to develop a "scaled-up" industrial plan that will focus on manufacturing, services, and construction to help create "worthwhile" jobs. He said that government hoped to create a more "inclusive economy" by developing rural areas, while also ensuring that programs run by the Department of Public Works create 500,000 jobs by December 2009. He, however, warned that progress would be hampered by the global economic crises and said, "the economic downturn will affect the pace at which our country is able to address the social and economic challenges it faces, but it will not alter the direction of our development." (Comment: Zuma's speech comes a week after South Africa officially entered its first recession in since 2000 as the economy contracted 6.4 per cent in the first quarter of 2009 following negative growth in the fourth quarter of 2008. The announcement brought with it further fears of job cuts, and interest rates were slashed another full point to 7.5 per cent, although unions demanded they be cut even further to stimulate the economy. Trade unions, which were instrumental in securing the re-election of the ANC, have placed increased pressure on Zuma to address their demands in his speech, however, given the bleak economic climate, the President had little room for maneuver. (Septel) Zuma's balancing act between pleasing workers, unions and investors is likely to become more complicated and difficult as he tries to deliver on promises the ANC has been making since coming to power. It is quite possible that Zuma could face a backlash from the Unions in the future if his policies do not approach their interests. End Comment)

¶3. (U) Zuma stressed education as one of the priorities of the government over the next five years. He said the government planned to expand the Early Childhood Development Program with the aim of ensuring universal access to Grade R (pre-school) and doubling the number of 0-4 year-old children by 2014, while it hoped to increase enrolment rates in secondary schools to 95% over the same period. He said to improve school management, formal training will be a precondition for promoting teachers to become principals or heads of Qprecondition for promoting teachers to become principals or heads of

department. Zuma stated that to promote lifelong learning, the Adult Basic Education and Training program will be intensified. He said, "we have to ensure that training and skills development initiatives in the country respond to the requirements of the economy."

14. (U) Zuma continued by acknowledging the failures in the healthcare system and said, "we are seriously concerned about the deterioration of the quality of health care, aggravated by the steady increase in the burden of disease in the past decade and a half." Zuma pledged to reduce the inequalities in health care provisions, to boost human resources capacity, revitalize hospitals and clinics, and intensify the fight against HIV/AIDS and TB. He stated that the government would work to improve the implementation of the Comprehensive Plan for the Treatment, Management and Care of HIV and AIDS so as to reduce the rate of new HIV infections by 50% by the year 2011. He added that the aim was also to reach 80% of those in need of ARV treatment by 2011. Zuma also revealed his plan to roll out a National Health Insurance scheme which will require the urgent rehabilitation of public hospitals.

15. (U) Zuma called on all South Africans to fight crime together. He said transforming the judiciary would address key issues such as enhancing judicial independence, entrenching internal systems of judicial accountability, as well as ensuring full access to justice by all. He stressed it was also critically important to improve the efficiency of the courts and the performance of prosecutors, detectives, forensic and intelligence services. Zuma said there was a need to increase law enforcement personnel in all sectors of the justice system, especially the number of prosecutors and Legal Aid Board personnel and police detectives. He discussed the renaming of the Ministry of Safety and Security and said the name change was to emphasize that South Africa wants real operational energy in police work. He added that the key focus will be combating organized crime, as well as crimes against women and children and set a goal of reducing serious and violent crimes by 7% to 10% per annum. Zuma

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highlighted other initiatives on which the government will focus, such as a Border Management Agency, intensifying efforts against cyber crime and identity theft, and improving systems in jails to reduce repeat offending. He added that the government will pay particular attention to combating corruption and fraud in the public sector.

16. (U) In the field of international relations Zuma said the main goal of the of the South African government is to ensure that its foreign relations contribute to the creation of an environment conducive to sustainable economic growth and development. Zuma said government would continue to prioritize the African continent by strengthening the African Union and its structures, and give special focus to the implementation of the New Partnership for Africa's Development (NEPAD). Zuma said South Africa remained committed to peacekeeping efforts on the African continent, especially the Saharawi Arab Republic and Darfur in the Sudan and he reiterated that South Africa will continue to encourage a peaceful and sustainable settlement to the Israeli-Palestinian conflict based on the two-state solution. He highlighted the plight of the Zimbabwean people and stated that South Africa will participate in promoting inclusive government until free and fair elections are held in Zimbabwe. Zuma also noted that it is imperative for all peace-loving countries in the world to support the inclusive Zimbabwean government to achieve economic recovery.

17. (U) Zuma reaffirmed South Africa's readiness for hosting the 2010 FIFA World Cup and gave assurances that South Africa was on schedule to meet all its obligations. He paid homage to President Mandela and declared that July 18 (Mandela's birthday) would henceforth be known as Mandela Day. He also gave his commitment to work with opposition parties in Parliament and urged all South Africans to continue working for reconciliation and unity.

18. (U) Opposition parties welcomed the objectives put forward by government but were all critical of the fact that President Zuma failed to outline how his policies would be implemented. Democratic Alliance parliamentary leader, Athol Trollip, said Zuma's speech marked a very particular and distinct ideological shift towards a socialist agenda, while Independent Democrat Patricia De Lille said 'the goals President Jacob Zuma has set for Government for the next five years are laudable, but we have heard them all before.' Cope's Bishop Dandala said the speech was "hot on promises but thin on detail." Although failing to outline the finer details of his

policies, Zuma's speech is seen as unifying and designed to appeal to all South Africans. It would appear that Zuma has been granted a reprieve and honeymoon, for now. However, should he fail to deliver on the goals and promises outlined in his speech, his government could face a far tougher resistance from the public and the trade unions in the future.